
DE News



March 16, 2001 - Iowa Department of Education - Ted Stilwill, Director

From the Director's desk:

A status report on FY02 budget reductions and teacher quality legislation

We've had lots of activity this week on two significant issues: the anticipated budget reductions for fiscal year 2002 and the teacher quality legislation.

Budget reductions for fiscal 2002

As expected, the Revenue Estimating Conference announced this week that state revenue growth is down sharply – to .7% from an expected 3.5% for the current fiscal year. Revenue expectations for FY02 were reduced from 4.4% growth to 4.3%. These reductions mean that there will be a total of \$330 million less than expected next year.

Governor Vilsack has indicated that he plans to make selected cuts from the new initiatives he proposed in January and an additional 6% across the board cut to his FY2002 budget recommendations.

The Governor said the cuts will not apply to state foundation aid for schools, the teacher compensation initiative, or to protecting people from abuse. While not all education priorities are protected from the budget cuts, we recognize that we are still in the early stages of the negotiations. All state agencies and state-funded programs may look much different starting July 1, 2001.

The Governor is expected to provide the details of his revisions within the next two weeks. In the meantime, we have been asked to closely scrutinize expenditures and to start now trying to position ourselves for more limited resources in FY2002.

Teacher quality legislation

You'll remember that Republican legislators introduced teacher quality legislation last week (identical bills, HSB 201 and SF 476, [formerly SSB 1190]). Early this week, Governor Vilsack and Lt. Governor Pederson introduced their own teacher quality bill that they believe more closely follows the recommendations of the Pomerantz/Forsyth plan as well as the bipartisan working group.

Several key differences in the Vilsack/Pederson bill include higher base salaries for all teachers (beginning, career, and advanced), and no provision allowing alternative licensure. Vilsack said higher salaries must be a priority because we cannot tolerate our teachers being paid 35th in the nation. Regarding alternative licensure, Vilsack and Pederson said they would be willing to study the issue, but could not write it into law until a bipartisan group had fully reviewed the pros and cons.

On Wednesday and Thursday, the House and Senate education committees each voted out their study bills. The House committee struck the alternative licensure language before approving HSB 201; the Senate committee approved its bill, SF 476, in full. Both now will be scheduled for floor debate.

To compare the Vilsack/Pederson proposal to HSB 210/SF 476, just click on the "side-by-side" attachment included with the email version of this newsletter.

Looking forward, the next step will be continued discussions between House and Senate Democrats and Republicans, as well as the Governor – eventually resulting in a single bill. All parties are committed to continuing a bipartisan approach that will take strong,

definitive action to assure teacher quality and improve student achievement.

Setting the record straight – \$ to districts

It's become crystal clear to me that we haven't done a good job describing how funding would flow to districts. Some teachers and administrators incorrectly think that the Governor's bill and HSB210/SF 436 simply raise minimum salaries for only beginning teachers just like Phase I. **THAT IS NOT TRUE.**

Instead, both proposals distribute a "block grant" of funding to districts to improve teacher salaries. The proposed formula is 50% based upon the number of teachers in the district and 50% based upon the number of pupils in the districts. The Governor's plan distributes \$31.2 million and HSB 201/SF436 distributes \$26.7 million based on that same formula. *Districts are not advantaged or disadvantaged in the amount of funds received because of their current starting salary.*

Under both proposals, districts are required to first raise salaries to the minimum levels outlined in the respective bills. After that, districts use the remainder to improve other teacher salaries. If a district is already at the minimums, then the district has the flexibility to use the entire pool of funds to improve overall teachers' salaries. It is expected that legislators will have data on district level funding next week.

Other legislation of interest

HF 576, which provides for certain school finance issues, including a 101% guarantee of the previous year's regular program district cost, reorganization incentives, and student weighting at regional academies. In Ways & Means Committee.

SF 203, budget guarantee for FY02 and FY03. Passed Senate; in House Education Committee.

SF 348 (formerly SSB 1086), establishing charter schools. Approved by committee.

SF 197, extending the community college vocational-technical technology improvement program and appropriation (currently set to expire at the end of this fiscal year). Senate subcommittee.

HSB 218, establishing a process for voluntary AEA reorganization. On House calendar.

HSB 236, allowing alternative licensure for K-12 administrators and teachers. On House calendar.

SF 310 (as amended by committee), requiring the Department to study elimination of community college licensure, including related issues of tenure. On Senate calendar.

SF 357, allowing schools to seek SBRC approval to use their unspent balance to pay for increased utility costs. On Senate calendar.

HF 197, increasing the state sales and use tax by one cent, with the proceeds going to school infrastructure and property tax relief. On House calendar.

Grants help local schools

More than 100 Iowa school districts will receive federal matching funds for school construction and life safety projects under the Iowa Demonstration Construction Grant program (also referred to as Harkin Grants, because Sen. Harkin authored the legislation).

Funds were provided to schools to either help with new construction or to address fire code violations.

The grants are distributed each year, typically in the spring. For more information or application guidelines, contact Milt Wilson at 515/281-4743.

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